



BANCO DO ESTADO DO RIO GRANDE DO SUL S.A.
Corporate Taxpayer's ID (CNPJ/MF) 92.702.067/0001-96

MATERIAL FACT
INTEREST ON EQUITY PAYMENT RELATED TO THE 1st QUARTER OF 2018

We inform Shareholders the credit for payment of quarterly interest on equity for the 1st quarter of 2018, in accordance with the Dividend and Interest on Equity Payment Policy, defined in the Board of Directors meeting held on May 6, 2008, for the amount of R\$84,500,000.00 (eighty-four million, five hundred thousand reais), which, after withholding of income tax, will result in the net value of R\$71,825,000.00 (seventy-one million, eight hundred and twenty-five thousand reais).

The interest on equity per class/type of share will amount to R\$0.20661436 for ON shares, R\$0.20661436 for PNA shares and R\$0.20661436 for PNB shares, whereas the net amount will be R\$0.17562221 for ON shares, R\$0.17562221 for PNA shares and R\$0.17562221 for PNB shares, after income tax withholding at source (15%), except for corporate shareholders with proof of immune or exempt condition, which should be produced until March 16, 2018 and delivered at the following address:

Banco do Estado do Rio Grande do Sul - Unidade de Relações com Investidores
Rua Caldas Júnior, 108 – 7º Andar – Centro – Porto Alegre – RS – Brazil - CEP: 90018-900
Phone: +55 51 3215-3232 - Facsimile: +55 51 3215-3200 - E-mail: ir@banrisul-ri.com.br

The payment to the shareholders registered in our records as of February 26, 2018 will take place on March 28, 2018, as follows:

- credited to the accounts of the shareholders holding accounts in Banrisul, subject to updating their register, if applicable. For the remaining shareholders, the payment will be made at any branch of Banrisul, upon shareholder's identification, or
- holders of shares in custody at B3 S.A. – Brasil, Bolsa, Balcão will receive the payment of interest on equity through the brokerage firm where they maintain the respective deposit.

The Company's shares will be traded "ex-right" of additional Interest on Equity for 1Q18 as of February 27, 2018.

As stated in article 79 of the Company's Bylaws, in article 9 of Law No. 9,249/95 and in item V of the Instruction No. 209/96 of the Brazilian Securities and Exchange Commission (Comissão de Valores Mobiliários – CVM), the net amount of Interest on Equity will be credited to the dividend referring to fiscal year 2018.

Pursuant to the pertinent legislation, Law No. 6404 - article 287, unclaimed interest on equity payments expires in three years, as from the date they were made available to the shareholder.

Porto Alegre, February 21, 2018.

Ricardo Richiniti Hingel
CFO & Investor Relations Officer
Banco do Estado do Rio Grande do Sul S.A - Banrisul